

Message Text

LIMITED OFFICIAL USE

PAGE 01 PARIS 12214 01 OF 04 131816Z
ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 SSO-00 NSCE-00 INRE-00
ICAE-00 AID-05 CEA-01 CIAE-00 COME-00 EA-10
FRB-03 INR-10 IO-13 NEA-10 NSAE-00 OPIC-03 SP-02
TRSE-00 LAB-04 SIL-01 AGRE-00 OMB-01 SS-15 STRE-00
L-03 ITC-01 /103 W

-----127364 132101Z /43

O 131741Z APR 78
FM AMEMBASSY PARIS
TO SECSTATE WASHDC IMMEDIATE 0069

LIMITED OFFICIAL USE SECTION 01 OF 04 PARIS 12214

USOECD

PASS EB/ITP FOR BARRACLOUGH AND STR FOR
FEKETEKUTY

E.O. 11652: N/A
TAGS: ETRD, OECD
SUBJECT: TRADE PLEDGE

FOLLOWING ARE TEXTS OF LETTER SENT TO ALL MEMBERS OF
TRADE COMMITTEE BY CHAIRMAN STEEG, PROPOSED REDRAFT
OF OECD TRADE PLEDGE, AND APPENDIX EXPLAINING ORIGIN
OF LANGUAGE IN LATTER. STEEG ASKS FOR REAC-
TIONS AND COMMENTS BY THE END OF APRIL, AND SUGGESTS
TRADE COMMITTEE MEET MAY 23-24 (RATHER THAN MAY
9-10 AS PREVIOUSLY SCHEDULED).

BEGIN TEXT OF LETTER

1. AT THE LAST MEETING OF THE TRADE COMMITTEE
IT WAS AGREED WITH REGARD TO THE SPECIFIC QUESTION
OF THE TRADE PLEDGE THAT I WOULD, IN CONSULTATION WITH
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PARIS 12214 01 OF 04 131816Z

DELEGATIONS, CONSIDER HOW TO PROCEED FURTHER AND
SUBMIT APPROPRIATE PROPOSALS TO THE COMMITTEE FOR
ITS NEXT MEETING. AS A FIRST STEP IN THIS PROCEDURE
I WOULD LIKE TO TRANSMIT TO YOU, BY MEANS OF THIS
LETTER, AND IN A VERY INFORMAL WAY, MY PROPOSAL FOR A
REDRAFT OF THE TRADE PLEDGE WHICH TAKES ACCOUNT OF DE-
VELOPMENTS SINCE THE PLEDGE WAS FIRST FORMULATED.

THIS REDRAFT IS ATTACHED. TO THE EXTENT POSSIBLE ADDITIONS TO THE ORIGINAL TEXT OF THE PLEDGE HAVE BEEN BASED ON LANGUAGE READILY AVAILABLE FROM THE REPORT WHICH THE TRADE COMMITTEE SUBMITTED LAST YEAR TO THE COUNCIL AT MINISTERIAL LEVEL (C(77)112FINAL). PRECISE CROSS REFERENCES TO THE PLACES FROM WHICH SUCH LANGUAGE WAS TAKEN ARE GIVEN IN AN APPENDIX WHICH I ALSO ATTACH.

2. I WOULD BE GRATEFUL TO HAVE YOUR REACTIONS AND COMMENTS ON THIS REDRAFT BY THE END OF THE MONTH, SO AS TO BE ABLE TO ADVANCE FURTHER THE PREPARATIONS FOR OUR NEXT MEETING ON THIS QUESTION. IT WOULD EXPEDITE MATTERS IF YOUR REACTIONS COULD BE DISPATCHED SIMULTANEOUSLY TO MY OFFICE AND TO THE SECRETARIAT ("" FOR THE ATTENTION OF MR. POINCILIT).

3. FURTHERMORE, I HAVE TO RAISE THE QUESTION OF DATES WHICH WE HAD SET ASIDE FOR OUR NEXT MEETING. UNFORTUNATELY, UNFORESEEN COMMITMENTS MAKE IT IMPOSSIBLE FOR ME TO HAVE THIS MEETING AS SCHEDULED ON 9TH-10TH MAY OR IN THE DAYS THEREAFTER. I WOULD THEREFORE SUGGEST THAT THE MEETING OF THE TRADE COMMITTEE BE POSTPONED TO 23RD-24TH MAY.

END TEXT OF LETTER
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 PARIS 12214 01 OF 04 131816Z

BEGIN TEXT OF REDRAFT OF TRADE PLEDGE

GOVERNMENTS OF OECD MEMBER COUNTRIES

(1) CONSIDERING THAT THOUGH THE ECONOMIC SITUATION IS IN SEVERAL RESPECTS DIFFERENT FROM THAT WHICH PREVAILED AT THE TIME OF THE ADOPTION OF THE DECLARATION IN 1974, IT IS STILL CHARACTERIZED BY THE PROBLEM OF ADJUSTMENT TO HIGHER ENERGY PRICES AND BY A NUMBER OF OTHER SERIOUS DIFFICULTIES SUCH AS SLOW ECONOMIC GROWTH, HIGH LEVELS OF UNEMPLOYMENT, UNDERUTILISATION OF PRODUCTIVE CAPACITY IN A NUMBER OF SECTORS, CONTINUING INFLATION, SERIOUS IMBALANCES IN INTERNATIONAL PAYMENTS AND SEVERE DISTURBANCES ON FOREIGN EXCHANGE MARKETS;

(2) CONSIDERING THAT DIFFICULTIES EXPERIENCED BY A NUMBER OF SECTORS, OFTEN SIMULTANEOUSLY IN MANY COUNTRIES, REFLECT THE CONTINUED WEAKNESS OF DEMAND

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 PARIS 12214 02 OF 04 131828Z
ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 SSO-00 NSCE-00 INRE-00
ICAE-00 AID-05 CEA-01 CIAE-00 COME-00 EA-10
FRB-03 INR-10 IO-13 NEA-10 NSAE-00 OPIC-03 SP-02
TRSE-00 LAB-04 SIL-01 AGRE-00 OMB-01 SS-15 STRE-00
L-03 ITC-01 /103 W

-----127850 132101Z /41

O 131741Z APR 78
FM AMEMBASSY PARIS
TO SECSTATE WASHDC IMMEDIATE 0070

LIMITED OFFICIAL USE SECTION 02 OF 04 PARIS 12214

USOECD

TOGETHER WITH STRUCTURAL CHANGES SUCH AS SHIFTS IN
RELATIVE PRICES, IN COMPETITIVE POSITIONS, AND IN
PRODUCTION AND TRADE PATTERNS;

(3) CONSIDERING THAT THESE DIFFICULTIES CONSTITUTE
AN IMPORTANT SOURCE OF TENSION IN THE TRADE FIELD
AND THAT THEREFORE THE RISK REMAINS THAT
UNILATERAL TRADE AND OTHER CURRENT ACCOUNT MEASURES
COULD TOUCH OFF CHAIN REACTIONS OF PROTECTIONISM;

(4) CONSIDERING THAT ALL MEMBER COUNTRIES ARE
AFFECTED BY THESE DEVELOPMENTS, THOUGH IN VARYING
DEGREES;

AGREE:

(5) THAT THE NATURE AND SIZE OF THESE DIFFICULTIES
CONTINUE TO CALL FOR WIDE CO-OPERATIVE ACTION IN THE
FIELDS OF ECONOMIC, TRADE, FINANCIAL, MONETARY, INVEST-
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PARIS 12214 02 OF 04 131828Z

MENT AND DEVELOPMENT POLICIES;

(6) THAT UNILATERAL TRADE OR OTHER CURRENT ACCOUNT MEASURES BY ONE OR MORE MEMBER COUNTRIES TO DEAL WITH THIS SITUATION WOULD AGGRAVATE THE PROBLEMS OF OTHER COUNTRIES AND, IF GENERALISED, WOULD BE SELF-DEFEATING AND HAVE A DEPRESSING EFFECT ON THE WORLD ECONOMY;

(7) THAT COUNTRIES HAVE RESPONSIBILITIES BOTH AS IMPORTERS AND EXPORTERS TO AVOID DISRUPTION OF REGULAR TRADE FLOWS;

(8) THAT, IN THE CASE OF SECTORAL PROBLEMS, EVERY EFFORT SHOULD BE MADE TO IDENTIFY THEM BEFORE THEY ASSUME CRITICAL PROPORTIONS AND TO PROCEED TO CONSULTATIONS IN THEIR REGARD IN ORDER TO FIND AND IMPLEMENT MULTILATERALLY ACCEPTABLE SOLUTIONS IN A MANNER WHICH TAKES INTO ACCOUNT THE INTERESTS OF

ALL CONCERNED;

(9) THAT, IN THE FRAMEWORK OF ADJUSTMENT POLICIES DESIGNED TO FOSTER ADJUSTMENT TO CHANGING SUPPLY AND DEMAND CONDITIONS, ACTION UNDERTAKEN TO MEET SECTORAL DIFFICULTIES SHOULD BE LIMITED IN TIME AND SUBJECT TO INTERNATIONAL MONITORING AND SHOULD AIM TO BRING ABOUT ADAPTIONS THROUGH MEASURES WHICH DO NOT TRANSFER THE BURDEN OF ADJUSTMENT TO TRADING PARTNERS AND WHICH AVOID OR MINIMIZE DISTORTIONS TO TRADE;

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 PARIS 12214 02 OF 04 131828Z

(L0) THAT THERE IS THEREFORE, AND WITHOUT PREJUDICE TO THE OUTCOME OF THE MULTILATERAL TRADE NEGOTIATIONS, A CONTINUING NEED FOR A JOINT UNDERTAKING, HAVING AS ITS OBJECTIVE TO PREVENT NEW UNILATERAL ACTION WHICH MAY HAVE A DETRIMENTAL IMPACT ON INTERNATIONAL ECONOMIC RELATIONS;

(11) THAT THE SUCCESSFUL OUTCOME IN THE NEAR FUTURE OF THE MULTILATERAL TRADE NEGOTIATIONS IS ESSENTIAL IN MAINTAINING AN OPEN, MULTILATERAL TRADING SYSTEM;

(12) THAT, WITH A VIEW TO STIMULATING MUTUALLY BENEFICIAL GROWTH OF WORLD TRADE, THERE IS A NEED FOR FURTHER IMPROVEMENT OF ACCESS TO THE MARKETS OF

INDUSTRIALISED COUNTRIES FOR DEVELOPING COUNTRIES;

DECLARE THEIR DETERMINATION, IN THE LIGHT OF THE
FOREGOING AND FOR A PERIOD OF ONE YEAR,

(A) TO AVOID HAVING RECOURSE TO UNILATERAL
MEASURES, OF EITHER A GENERAL OR A SPECIFIC NATURE,
TO RESTRICT IMPORTS OR HAVING RECOURSE TO SIMILAR
MEASURES ON THE OTHER CURRENT ACCOUNT TRANSACTIONS,

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 PARIS 12214 03 OF 04 131822Z

ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 SSO-00 NSCE-00 INRE-00
ICAE-00 AID-05 CEA-01 CIAE-00 COME-00 EA-10
FRB-03 INR-10 IO-13 NEA-10 NSAE-00 OPIC-03 SP-02
TRSE-00 LAB-04 SIL-01 AGRE-00 OMB-01 SS-15 STRE-00
L-03 ITC-01 /103 W

-----127429 132100Z /41

O 131741Z APR 78

FM AMEMBASSY PARIS

TO SECSTATE WASHDC IMMEDIATE 0071

LIMITED OFFICIAL USE SECTION 03 OF 04 PARIS 12214

USOECD

PRESENT DECLARATION;

(B) TO AVOID MEASURES TO STIMULATE EXPORTS OR
OTHER CURRENT ACCOUNT TRANSACTIONS ARTIFICIALLY; AND,
INTER ALIA, REFRAIN FROM DESTRUCTIVE COMPETITION IN
OFFICIAL SUPPORT OF EXPORT CREDIT AND AIM AT CONTINU-
ING PROGRESS IN CO-OPERATIVE ACTION TO THIS EFFECT;

(C) TO AVOID EXPORT RESTRICTIONS WHICH WOULD BE
CONTRARY TO THE OBJECTIVES OF THE PRESENT DECLARATION;

(D) TO CONSULT WITH EACH OTHER, MAKING FULL USE
OF THE GENERAL PROCEDURES OF CONSULTATION WITHIN OECD,
IN ORDER TO ASSURE THAT THE PRESENT DECLARATION IS
PROPERLY IMPLEMENTED;

(E) TO IMPLEMENT THE PRESENT DECLARATION IN
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PARIS 12214 03 OF 04 131822Z

ACCORDANCE WITH THEIR INTERNATIONAL OBLIGATIONS AND
WITH DUE REGARD TO THE SPECIAL NEEDS OF DEVELOPING
COUNTRIES.

END TEXT OF REDRAFT

BEGIN TEXT OF APPENDIX

MODIFICATIONS AND THE ORIGIN OF PARTICULAR
LANGUAGE IN THE REDRAFT OF THE TRADE PLEDGE ARE AS
FOLLOWS:

- PARAGRAPH (1): UP-DATES TO PRESENT CIRCUM-
STANCES THE OLD FIRST "CONSIDERING". WORDING IS NEW,
EXCEPT FOR THE FIRST THREE LINES WHICH WERE TAKEN
FROM PARAGRAPH 2 OF C(77)112(FINAL) - LINES 7 TO 9.

- PARAGRAPH (2): NEW "CONSIDERING" ON SECTORAL
DIFFICULTIES.

- PARAGRAPH (3): NEW "CONSIDERING"
USING IN ITS LATTER PART WORDING FROM PARAGRAPH 2
OF C(77)112(FINAL) - LAST THREE LINES.

- PARAGRAPH (4): OLD SECOND "CONSIDERING";
WORDING UNCHANGED;

- PARAGRAPH (5): OLD FIRST "AGREE - PARAGRAPH",
SLIGHTLY AMENDED TO UNDERLINE THE
CONTINUING NEED FOR WIDE CO-OPERATIVE ACTION.

- THE OLD SECOND "AGREE - PARAGRAPH",
ON THE FINANCING OF INTERNATIONAL TRADE DEFICITS HAS
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 PARIS 12214 03 OF 04 131822Z

BEEN DELETED.

- PARAGRAPH (6): OLD THIRD "AGREE - PARAGRAPH

"; WORDING UNCHANGED.

- PARAGRAPH (7): OLD FOURTH "AGREE -

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 PARIS 12214 04 OF 04 132143Z
ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 SSO-00 NSCE-00 INRE-00
ICAE-00 AID-05 CEA-01 CIAE-00 COME-00 EA-10
FRB-03 INR-10 IO-13 NEA-10 NSAE-00 OPIC-03 SP-02
TRSE-00 LAB-04 SIL-01 AGRE-00 OMB-01 SS-15 STRE-00
L-03 ITC-01 /103 W
-----130491 132147Z /75

O 131741Z APR 78
FM AMEMBASSY PARIS
TO SECSTATE WASHDC IMMEDIATE 0072

LIMITED OFFICIAL USE SECTION 04 OF 04 PARIS 12214

USOECD

- PARAGRAPH"; WORDING UNCHANGED.

- PARAGRAPH (8): NEW PARAGRAPH. WORDING OF
THE FIRST PART (UNTIL "THEIR REGARD") COMES FROM
PARAGRAPH 7 OF C(77)112(FINAL) - LINES 15 TO 17.
THE WORDING OF THE LATTER PART ALSO COMES FROM
PARAGRAPH 7 OF C(77)112(FINAL) - LINES 12 TO 15.

- PARAGRAPH (9): NEW PARAGRAPH WHICH CONTAINS,
INTER ALIA, THE IDEAS THAT "THE BURDEN OF ADJUSTMENT
SHOULD NOT BE SHIFTED TO OTHERS" (PARAGRAPH 7 OF
C(77)112 (FINAL) - LINES 1 AND 2 AND THAT ADJUSTMENT
MEASURES SHOULD "AVOID OR MINIMIZE DISTORTIONS TO
TRADE" (PARAGRAPH 7 OF C(77)112(FINAL) - LINES 7 AND
8).

- PARAGRAPH 10: OLD FIFTH "AFREE - PARAGRAPH"
WITH SLIGHT MODIFICATIONS.

- PARAGRAPH 11: NEW PARAGRAPH.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PARIS 12214 04 OF 04 132143Z

- PARAGRAPH 12: NEW PARAGRAPH.

THE OPERATIVE PART OF THE PLEDGE REMAINS
UNCHANGED WITH ONE EXCEPTION. ORIGINAL PARAGRAPH (B)
REFERRED WITH RESPECT TO EXPORT CREDITS AT THE END
TO THE AIM OF "TAKING APPROPRIATE CO-OPERATIVE ACTIONS
IN THE IMMEDIATE FUTURE". THIS IS REPLACED BY THE
NOTION OF "CONTINUING PROGRESS".

END APPENDIX

SALZMAN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COMMITTEES, NEGOTIATIONS, TRADE AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 13 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978PARIS12214
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780159-0741
Format: TEL
From: PARIS USOECD
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780461/aaaabzrp.tel
Line Count: 405
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 5fef39b1-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 8
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2981981
Secure: OPEN
Status: NATIVE
Subject: TRADE PLEDGE FOLLOWING ARE TEXTS OF LETTER SENT TO ALL MEMBERS OF TRADE COMMITTEE BY CHAIRMAN STEEG, PROPOSED REDRAF
TAGS: ETRD, US, OECD
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/5fef39b1-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014